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AFRICA (IN PARTICULAR THE SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA)

Fourteenth Conference of African Ministers of Industry
22-23 October 1999, Dakar, Senegal

Introduction

1. The principal objective of the fourteenth Conference of African Ministers of Industry (CAMI-14) and the meeting of the Intergovernmental Committee of Experts of the Whole on Industrialization in Africa was to examine and follow up progress made in the industrialization of African countries and to recommend measures at the national, subregional and international levels in order to accelerate the process of industrialization. A Conference on Industrial Partnerships and Investment in Africa (CIPIA) was also held in conjunction with CAMI-14, from 20 to 21 October 1999. CIPIA focused on strategies to strengthen the participation of the private sector in the industrialization process in Africa (GC.8/CRP.1).

2. CAMI-14 was attended by representatives from 45 African countries with the participation of 22 Ministers and Vice-Ministers. In addition, a number of regional and subregional organizations and intergovernmental institutions, including representatives of the private sector, attended the meeting.

3. A new Bureau of the Conference composed of the following countries was formed:

- President: Senegal
- First Vice-President: Libyan Arab Jamahiriya
- Second Vice-President: Malawi
- Third Vice-President: Angola
- Rapporteur: Madagascar.

4. The Minister of Industry of Côte d'Ivoire was designated a member of the Bureau in his capacity as Chairperson of the Steering Committee of the Alliance for Africa's Industrialization. UNIDO will service the meetings of the new Bureau and will be the lead agency in planning and organizing the next CAMI, planned for 2001.

For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

I. MAIN CONCLUSIONS OF THE CONFERENCE

Intergovernmental Committee of Experts of the Whole on Industrialization in Africa, 18-19 October 1999

5. The Ministers considered the report of the meeting of experts and the report of CIPIA.

6. The reports examined the progress achieved in the implementation of the resolutions and decisions of the thirteenth Conference (CAMI-13), *inter alia*, the implementation of the Second Industrial Development Decade for Africa (IDDA II) and the Plan of Action of the Alliance for Africa's Industrialization (AAI), the mobilization of financial resources for the integrated programmes and the African Common Position for the eighth session of the General Conference of UNIDO. The key conclusions are contained in a detailed report (E/ECA/CAMI.14/99/L[1]) and reflected in two resolutions:

- Resolution 1 (XIV) on the African common position for the eighth General Conference of UNIDO (attached as annex I)

- Resolution 2 (XIV) on the African common position on globalization (attached as annex II).

7. The Conference reiterated its strong support for the transformation of UNIDO. The delegates also reaffirmed their belief in and commitment to the Organization as the lead international agency cooperating with developing countries in their efforts to achieve sustainable industrial development.

Steering Committee of the Alliance for Africa's Industrialization (AAI)

8. A meeting of the Steering Committee of the Alliance was organized during the Conference. The meeting stressed the necessity of the timely implementation of the decisions of the First Patrons Group Meeting of the Alliance held in Algiers in July 1999 during the thirty-fifth Summit of the Organization of African Unity. These decisions include increasing private sector representation in the AAI Steering Committee, establishment of industrial partnership councils as a mechanism for dialogue between the public and the private sector, and the organization of two forums in 2000 within the framework of the Tokyo International Conference on African Development (TICAD-II) (the main theme of the forums will be strengthening Asia-Africa cooperation in agro-industries and the development of small and medium enterprises).

II. FIFTEENTH MEETING OF THE CONFERENCE OF AFRICAN MINISTERS OF INDUSTRY

9. Cameroon offered to host the fifteenth meeting of the Conference of African Ministers of Industry (CAMI-15) at Yaounde. UNIDO will serve as lead agency in organizing CAMI-15.

III. ACTION REQUIRED OF THE CONFERENCE

10. The General Conference may wish to take note of the present document.

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[1] Copies of the report are available at the documents distribution counter.

Annex I

RESOLUTION 1 (XIV)
AFRICAN COMMON POSITION FOR THE EIGHTH SESSION OF THE GENERAL CONFERENCE OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

The Conference of African Ministers of Industry,

Bearing in mind the Abuja Treaty establishing the African Economic Community, which came into force on 12 May 1994,

Concerned about the impact of the globalization and liberalization of the world economy on the fragile economies of the African countries, exacerbated by the growth in external indebtedness, the collapse of commodity prices and the reduction, in real terms, of resource flows to Africa,

Determined to ensure that the industrial sector makes an effective contribution to economic recovery, lasting development and the integration of Africa, which is the least industrialized continent and has the largest number of least developed countries,

Stressing the essential role that the United Nations Industrial Development Organization plays in industrial promotion and cooperation for and among the developing countries,

Aware of the necessity of maintaining, strengthening and increasing the financial resources of the United Nations Industrial Development Organization to enable it to continue to respond effectively to the needs of the developing countries in general and the African countries in particular,

1. **Adopts** the African Common Position for the eighth session of the General Conference of the United Nations Industrial Development Organization, the text of which is annexed to the present resolution;

2. **Expresses** its firm support for the strengthening of the United Nations Industrial Development Organization, whose role is crucial in support of the industrialization of Africa, and its profound concern at the threats facing that Organization, which should, on the contrary, be strengthened and adequately financed;

3. **Requests** the Chairman of the fourteenth meeting of the Conference of African Ministers of Industry, in close cooperation with the African Group in Vienna and the Organization of African Unity, and in collaboration with the United Nations Economic Commission for Africa, to take all appropriate measures with a view to safeguarding the interests of the African countries in the process of negotiations at the eighth session of the General Conference of the United Nations Industrial Development Organization;

4. **Invites** all African countries to participate in the eighth General Conference of UNIDO and in particular requests them to defend, actively and effectively, the interests of the African countries;

5. **Requests** the Secretary-General of the Organization of African Unity and the Executive Secretary of the Economic Commission for Africa to provide the necessary assistance to the African delegations to the eighth session of the General Conference of the United Nations Industrial Development Organization; and

6. **Further** requests the Director-General of the United Nations Industrial Development Organization to communicate the report of the 14th meeting of the Conference of African Ministers of Industry, including the African Common Position, to all Members of the United Nations Industrial Development Organization and to submit it as an official document to the eighth session of the General Conference of the United Nations Industrial Development Organization, to be held at Vienna in December 1999.

AFRICAN COMMON POSITION FOR THE EIGHTH GENERAL CONFERENCE OF UNIDO, VIENNA, DECEMBER 1999

1. The eighth General Conference of UNIDO is being held on the eve of the Third Millennium when the African Continent is confronted with a world economic situation characterized by globalization, the unprecedented world-wide emergence of advanced technologies and communication and information systems, the integration of international financial and trading markets, and the transformation of systems and methods of production.

2. In spite of the efforts made, Africa still faces a very serious crisis. The continent has, in the field of industrialization, prepared for itself some institutional programmes and mechanisms capable of laying down a genuine policy of co-operation and creating an environment favourable for investments. Prominent among these are the Industrial Development Decade for Africa (IDDA), the Alliance for Africa's Industrialization (AAI), as well as the Patrons Group and Steering Committee for the AAI. Africa also needs a strong international partnership to develop along the road to industrialization through the transformation of its vast natural resources.

3. The United Nations Industrial Development Organization (UNIDO) is one of the international agencies that are well placed to support the industrialization efforts of African countries. The eighth General Conference of UNIDO should give priority to Africa's industrial development by providing it with human and material resources to that end.

A. General Assessment and Consideration

4. The industrial sector has grown by 3.2% in 1998, which is a decline compared to the 3.8% growth of 1997. One of the reasons for this decline in growth has been the decline of investments flow during the period 1997-1998 from 2.5% to 2%. Another reason is the lack of competitiveness due mainly to low productivity in Africa's industrial sector.

5. Consequently, the eighth General Conference of UNIDO offers an opportunity for African States (public and private sector) and the international community to define, elaborate and conceptualize industrial policies and strategies in response to the challenges, risks and opportunities of the globalizing world:

(i) For Africa to be able to compete and participate effectively in the globalizing world economy, there has to be a policy reorientation with greater emphasis accorded to industrialization;

(ii) Enhanced regional integration and cooperation should be a key element of the new policy orientation with the objective of building strong internal markets for the promotion of intra-African competition, as a stepping stone for entry into the global arena; and

(iii) The promotion of industries, especially the manufacturing industries, geared towards exportation and insurance of their competitiveness in order to realize Africa's economic integration into the emerging global economy.

6. While the above policy is mainly the responsibility of the African Governments and the private and public sectors, the eighth General Conference should strongly request the Director-General of UNIDO to support the efforts of the African Governments in this direction and give priority to the implementation of the policy.

7. The policy of the Bretton Woods institutions as well as the international banking system play a big role in the industrialization or de-industrialisation of the developing economies in general and of Africa in particular. The eighth General Conference of UNIDO should invite the Director-General to study and assess the impact of the Bretton Woods institutions on Africa's industrialization profile and make adequate recommendations. The activities of UNIDO with regard to resource mobilization for industrialization should take this issue into account.

B. Priority to be given to Africa's Industrial Development

8. With a view to doubling Africa's share of the global industrial production during the new millennium, the eighth General Conference of UNIDO should adopt a solemn declaration committing itself to give priority to industrial development in Africa during the 21st century and, in particular, through the following measures:

(i) Take all necessary measures to reverse the current trend characterized by a decline in direct investment in Africa, by supporting the efforts of African countries to remove all extraneous constraints and obstacles to investment inflows to Africa and more effectively promoting the establishment of partnerships between African and foreign industrial enterprises;

(ii) Initiate all necessary measures to boost investment and foreign technology-related development efforts across the continent; and

(iii) Take all necessary measures to mobilize financial resources at the level of the international community with a view to enabling UNIDO to promote and implement industrial development programmes and projects in African countries over the next two decades and underscoring the crucial role of recipient countries in the process of mobilization of funds for programmes.

C. Reform of UNIDO

9. UNIDO has undergone a far-reaching and satisfactory transformation, enabling it to play a significant role in the preparation during 1998/1999 of fifteen integrated national programmes within the framework of the Alliance for Africa's Industrialization.

10. The continued existence and permanence of UNIDO should no longer be questioned. On the contrary, the role and responsibilities of UNIDO within the framework of Africa's industrial development and the creation of industrial partnerships between Africa and the rest of the world should be recognized, encouraged and strengthened.

11. UNIDO should be provided with adequate financial resources for the implementation of the country programmes prepared within the framework of the Plan of Action of the Alliance for Africa's Industrialization in accordance with the provisions of item 4, subparagraph iv.

12. The eighth General Conference of UNIDO should call upon the Director-General to:

(i) Continue to give high priority to technical co-operation programmes in Africa;

(ii) Prepare programmes for other African countries which have not yet been covered by the integrated national programmes;

(iii) Intensify, in close co-operation with OAU, ECA and ADB, advocacy for industrial investment in Africa and promote financial support in favour of the integrated national programmes prepared within the framework of the Plan of Action of the AAI, by means of bilateral contacts and visits to donor countries;

(iv) Prepare, in close co-operation with OAU and the African Regional Economic Communities (SADC, COMESA, ECOWAS, ECCAS, CEMAC, UEMOA, AMU, IGAD etc.) integrated subregional and regional industrial development programmes and projects within the framework of the African Economic Community and the Plan of Action of the Alliance for Africa's Industrialization;

(v) Expand the utilization of the available African expertise (consultancies, engineering firms, training, etc.) within the context of UNIDO interventions.

D. Field Representation

13. African countries have a veritable interest in the ability of UNIDO to contribute effectively to the implementation of their respective industrial policies, programmes and projects.

14. In this connection, the eighth UNIDO General Conference should call on the Director-General to:

(i) Strengthen the capacity and role of that agency's offices abroad by providing sufficient financial resources for that purpose;

(ii) Increase the number of UNIDO offices in Africa—currently around 16—by establishing new ones, so that eventually there should be at least 35 country directors for Africa; priority should be given to the LDCs;

(iii) Make the effective and judicious implementation of industrial policies, programmes and projects in Africa a major priority.

E. Recruitment of Africans within the UNIDO Secretariat

15. Africa is the least represented region in terms of the number of staff working within the UNIDO Secretariat. It is also the least represented with regard to appointments to senior positions. The eighth General Conference of UNIDO should call on the Director-General to:

(i) Increase markedly the number of African staff members within UNIDO through appropriate recruitment; and

(ii) Increase significantly the recruitment and promotion of African staff to senior positions within UNIDO.

Annex II

RESOLUTION 2 (XIV): AFRICAN COMMON POSITION ON GLOBALIZATION

The Conference of African Ministers of Industry:

Noting that the majority of African countries are signatories of the Uruguay Round Agreement and are members of the World Trade Organization (WTO),

Recognizing that the current multilateral trade system is unbalanced and thus runs the risk of accentuating further the marginalization of Africa, with resultant severe repercussions on poverty, food insecurity and other social conditions,

Aware of the fact that the implementation of WTO rules might have adverse implications on Africa's economic development, particularly in the industrialization of the continent in terms of capacity building for industrial competitiveness,

Requests African countries to promote sustainable industrial growth through expansion, diversification and deepening of the manufacturing sector,

Strongly requests African countries to formulate strategies for the development of the private sector within the context of Africa's regional integration efforts, improvement of the conditions for competitiveness and promotion of foreign direct investment,

Invites African countries to:

(a) **Strongly** support and reinforce current trade negotiations with a view to ensuring a favourable environment for development of African industry;

(b) **Assess** and review the impact of existing international rules, agreements and efforts to industrialize Africa with a view to removing obstacles to accelerate industrial take-off;

(c) **Solicit** international support for establishing conditions for successful industrialization in terms of infrastructure and services and enhancing political stability;

(d) **Solicit** debt relief from creditor nations and to facilitate utilization of such funds for domestic infrastructural and social development;

(e) **Reiterate** support and re-emphasize the position of the Ministers of Commerce taken at Algiers in September 1999;

(f) **Promote** strong industrial growth in order to reverse Africa's marginalization in the context of globalization;

(g) **Enhance** capacity and capability of African industry to compete both in domestic and external markets;

(h) **Solicit** international support for the efforts of African Governments to establish peace, security and good governance in order to attract foreign investment;

(i) **Consolidate** and develop intra-African integration at the sub-regional and regional levels in different sectors—industry, finance, communications and commerce;

(j) **Enhance** competitiveness through stimulating macroeconomic growth, improved infrastructure, reduced transaction costs, better industrial governance, promoting technological upgrading; strengthening human capital;

(k) **Create** an enabling environment for private sector development; facilitate foreign direct investment; promote mutually supportive industrial policies.